



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/426,410	10/25/1999	EITHAN Y. EPHRATI	03660.P011	1848

7590 10/22/2003

ANDRE M. GIBBS
BLAKELY SOKOLOFF TAYLOR & ZAFMAN
12400 WILSHIRE BOULEVARD
SEVENTH FLOOR
LOS ANGELES, CA 90025

EXAMINER

HARLE, JENNIFER I

ART UNIT	PAPER NUMBER
----------	--------------

3627

DATE MAILED: 10/22/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/426,410

Applicant(s)

EPHRATI ET AL.

Examiner

Jennifer I. Harle

Art Unit

3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 July 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 33-43 is/are pending in the application.
- 4a) Of the above claim(s) 39-43 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 33-38 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☒ Claim(s) 33-43 are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

DETAILED ACTION

Claims 32-43 are pending. Claims 32-43 were subject to an election of species.

Election/Restrictions

Original claims generic to electronic negotiations between parties a plurality of disclosed patentably distinct species comprising bilateral negotiations and multilateratal negotiations. Applicant is now claiming two distinct species of bilateral negotiations: claims 32-38, which Applicant names switchable bilateral negotiations and claims 39-43, which Applicant names concurrent bilateral negotiations. Applicant is required under 35 U.S.C. 121 to elect a single disclosed species, even though this requirement is traversed.

Should applicant traverse on the ground that the species are not patentably distinct, applicant should submit evidence or identify such evidence now of record showing the species to be obvious variants or clearly admit on the record that this is the case. In either instance, if the examiner finds one of the inventions unpatentable over the prior art, the evidence or admission may be used in a rejection under 35 U.S.C. 103(a) of the other invention.

During a telephone conversation with Andre/ Gibbs on September 25, 2003 a provisional election was made without traverse to prosecute the invention of switchable bilateral negotiations, claims 32-38 and claims 39-43 were withdrawn. Affirmation of this election must be made by applicant in replying to this Office action. Claims 39-43 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

Applicant is reminded that upon the cancellation of claims to a non-elected invention, the inventorship must be amended in compliance with 37 CFR 1.48(b) if one or more of the

Art Unit: 3627

currently named inventors is no longer an inventor of at least one claim remaining in the application. Any amendment of inventorship must be accompanied by a request under 37 CFR 1.48(b) and by the fee required under 37 CFR 1.17(i).

Specification

Claim 37 is objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. Claim 1 requires that the method automatically drops the first active negotiation between the first and second party. Claim 37 on the other hand broadens claim 1 by first querying the first party as to whether to drop the first active negotiation before the second negotiation proceeds, it would not be an automatic drop if you query before dropping.

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 32-39 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Claims 32-39 lacks written description because it is unclear to one skilled in the art what code would be utilized to facilitate/determine an active or an inactive negotiation. Applicant argues that an active negotiation defines a state in which two parties actively exchange offers. Yet at the same time Applicant defines an inactive state as when an inactive party

submits a competing offer to the first party. However, the first party is still soliciting/accepting the offers and could appear to be active with the other party/parties. The “two parties” to the “negotiation” may not be exchanging any information and may for all intensive purposes be “inactive,” as they consider responses, let the system time-out, form a deal, etc. Moreover, Applicant provides no definition in the Specification of “inactive” but merely states that “dashed lines illustrating the inactive negotiation links between the one buyer and two inactive but participating sellers. The inactive sellers are not in active negotiation but **may** submit competing offers to the buyer ... In the switchable bilateral negotiation, certain rules **may** be implemented regarding competing offers from inactive sellers ... The switchable bilateral negotiation may terminate upon a break off of the negotiation by the buyer, but not by the active seller. In addition the switchable bilateral negotiation **may** also terminate upon expiration of the negotiation, upon failure of one party to make a counter offer within a specified period of time for a counter offer to be made, or upon the formation of a deal, e.g. upon an acceptance of the negotiation. Specification 16-18. Thus, the switchable bilateral negotiation may end up not even being switchable and would only be bilateral, if the first two parties form a deal.

Additionally, the claims lack adequate written description because it is unclear to one of ordinary skill in the art how the facilitating would be accomplished. There are many mechanism by which such facilitating can occur, i.e. via a human moderation, e-mail exchange, chat rooms, rule based a simple program and database, software agent based, Negotiated Support Systems, Decision Support Systems or a combination of the above. It is unclear to what degree if any these systems are utilized or in the possession of Applicant and utilized in the present invention.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

Art Unit: 3627

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 32-39 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01. The omitted steps are: the triggering mechanism for automatically dropping the first active negotiation between the first party and the second party, i.e. some statement about implementation of the rules. See specification pp. 17-18. Negotiations do not just switch for no reason. The competing offer has to have something better to offer the party in order for a switch to occur. Transaction costs have already been incurred and without something better to offer, i.e. better price, deliver time, product, there would be no reason for an automatic switch which did not make a party better off than it was before.

Double Patenting

Claim 35 is objected to under 37 CFR 1.75 as being a substantial duplicate of claim 1. When two claims in an application are duplicates or else are so close in content that they both cover the same thing, despite a slight difference in wording, it is proper after allowing one claim to object to the other as being a substantial duplicate of the allowed claim. See MPEP § 706.03(k).

Information Disclosure Statement

The information disclosure statement filed May 16, 2003 fails to comply with 37 CFR 1.98(a)(2), which requires a legible copy of each U.S. and foreign patent; each publication or that portion which caused it to be listed; and all other information or that portion which caused it to be listed. It has been placed in the application file, but the information referred to therein has not been considered.

Lexicography

After careful review of the specification and prosecution history, the Examiner is unaware of any desire—either expressly or implicitly—by Applicant(s) to be their own lexicographer and to define a claim term to have a meaning other than its ordinary and accustom meaning. Therefore, the Examiner starts with the presumption that all claim limitations are given their ordinary and accustom meaning. See *Bell Atlantic Network Services Inc. v. Covad Communications Group Inc.*, 262 F.3d 1258, 1268, 59 USPQ2d 1865, 1870 (Fed. Cir. 2001) (“[T]here is a heavy presumption in favor of the ordinary meaning of claim language as understood by one of ordinary skill in the art.”); *CCS Fitness Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366, 62 USPQ2d 1658, 1662 (Fed. Cir. 2002) (There is a “heavy presumption that a claim term carries its ordinary and customary meaning.”). See also MPEP §2111.01 and *In re Zletz*, 893 F.2d 319, 321, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989).¹

In accordance with the ordinary and accustom meaning presumption, during examination the claims are interpreted with their “broadest reasonable interpretation . . .” *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997).²

However, if Applicant(s) wish to use lexicography and desire a claim limitation to have a meaning other than its ordinary and accustom meaning, the Examiner respectfully requests Applicant(s) in their next response to expressly indicate³ the claim limitation at issue⁴ and to

¹ It is the Examiner’s position that “plain meaning” and “ordinary and accustom meaning” are synonymous. See e.g. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1342, 60 USPQ2d 1851, 1854 (Fed. Cir. 2001) (“[A]ll terms in a patent claim are to be given their plain, ordinary and accustomed meaning . . .”).

² See also MPEP §2111; *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995); *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

³ “Absent an *express intent* to impart a novel meaning, terms in a claim are to be given their ordinary and accustomed meaning. [Emphasis added.]” *Wenger Manufacturing Inc. v. Coating Mach. Sys., Inc.*, 239 F.3d 1225, 1232, 57 USPQ2d 1679, 1684 (Fed. Cir. 2001) (citations and quotations omitted). “In the absence of an *express*

Art Unit: 3627

show where in the specification or prosecution history the limitation is defined. Such definitions must be clearly stated in the specification or file history. *Bell Atlantic*, 262 F.3d at 1268, 59 USPQ2d at 1870, (“[I]n redefining the meaning of particular claim terms away from the ordinary meaning, the intrinsic evidence must ‘clearly set forth’ or ‘clearly redefine’ a claim term so as to put one reasonably skilled in the art on notice that the patentee intended to so redefine the claim term”).⁵ The Examiner cautions that no new matter is allowed.

Failure by Applicant(s) in their next response to address this issue or to be non-responsive to this issue entirely will be considered a desire by Applicant(s) to forgo lexicography in this application and to continue having the claims interpreted with their ordinary and accustomed meaning and with their broadest reasonable interpretation. Additionally, it is the Examiner’s position that above requirements are reasonable.⁶ Applicant(s) are also cautioned that even though claim interpretation begins with this presumption, after issuance the prosecution history may further limit claim scope if Applicant(s) disclaim or disavow a particular interpretation of

intent to impart a novel meaning to claim terms, an inventor’s claim terms take on their ordinary meaning. We indulge a heavy presumption that a claim term carries its ordinary and customary meaning. [Emphasis added.]” *Teleflex Inc. v. Ficosa North America Corp.*, 299 F.3d 1313, 1325, 63 USPQ2d 1374, 1380 (Fed. Cir. 2002) (citations and quotations omitted).

⁴ “In order to overcome this heavy presumption in favor of the ordinary meaning of claim language, it is clear that a party wishing to use statements in the written description to confine or otherwise affect a patent’s scope must, at the very least, point to a term or terms in the claim with which to draw in those statements.” *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985, 989, 50 USPQ2d 1607, 1610 (Fed. Cir. 1999).

⁵ See also *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582, 39 USPQ2d 1573, 1576 (Fed. Cir. 1996), (“[A] patentee may choose to be his own lexicographer and use terms in a manner other than their ordinary meaning, as long as the special definition of the term is *clearly stated* in the patent specification or file history. [Emphasis added.]”); *Multiform Desiccants Inc. v. Medzam Ltd.*, 133 F.3d 1473, 1477, 45 USPQ2d 1429, 1432 (Fed. Cir. 1998) (“Such special meaning, however, must be sufficiently clear in the specification that any departure from common usage would be so understood by a person of experience in the field of the invention.”).

See also MPEP §2111.02, subsection titled “Applicant May Be Own Lexicographer” and MPEP §2173.05(a) titled “New Terminology.”

⁶ The requirements are reasonable on at least two separate and independent grounds: first, the Examiner’s requirements are simply an express request for clarification of how Applicant(s) intend their claims to be interpreted. Second, the requirements are reasonable in view of the USPTO’s goals of compact prosecution, productivity with

Art Unit: 3627

the claims during prosecution. *Abbott Laboratories v. TorPharm Inc.*, 300 F.3d 1367, 1372, 63 USPQ2d 1929, 1931 (Fed. Cir. 2002). Unless expressly noted otherwise by the Examiner, the preceding claim interpretation principles apply to all examined claims currently pending.

Facilitate – to make easier: help bring about Merriam Webster's Collegiate Dictionary, Tenth Edition, 1996, pg. 415.

Active – characterized by action rather than by contemplation or speculation; expressing action, as distinct from mere existence or state. *Id.* at pg. 12.

Inactive – not active; applies to anyone or anything not in action or in operation or at work. *Id.* at pp. 585. This definition would hold true even under Applicant's own specification, i.e. inactive but participating sellers. Specification, pg. 17, lines 2-3. As Applicant's do not specifically define inactive but participating, one can look at the myriad of examples and their use of word **may** in those examples. The sellers may submit competing bids. However, the time frame for submitting competing bids/offers is not specified as ongoing and may merely be at the outset of the bidding process. Specification, pg. 17. Additionally, as the switch may occur upon termination by the buyer but not the active seller or upon termination due to expiration of the negotiation, upon failure of one of the parties to make a counter offer within a specified time period, or upon formation of a deal (acceptance, i.e. a contract), Specification, pp. 17-18, this lends further support to the argument that for the definition of inactive participating merely being submitting a bid at one point in time.

Response to Arguments

Applicant argues that Luke does not teach switchable bilateral negotiations as claimed. The examiner agrees that this reference is not applicable as a 102 reference. Luke does however teach bilateral negotiations, updating negotiation objects and the ability to retract an offer as previously set forth. Applicant argues that Luke does not teach the ability to retract an offer because retraction occurs before acceptance and that the supervising agent is blocking after acceptance. The examiner respectfully disagrees with Applicant's analysis. Luke clearly states that "A message is sent to each participant's supervising agent for authorization of the contract. Each supervising agent may evaluate the offer date and authorize the transaction or block it." Clearly the contract has not been accepted, as it has not been authorized and is still considered offer data. Offer plus acceptance is a contract and would not equal retraction but rather revocation.

Applicant then argues the INSS reference and the Bigus reference separately. Applicant fails to address the examiner's specific arguments and motivations to combine as they relate to switchable bilateral negotiations. Further, Applicant's arguments are directed to specific embodiments of the specification which are not presently claimed and therefore not persuasive.

Two new rejections based upon the new claims are also set forth below.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 32-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Buist (6,408,282 B1).

Buist teaches a machine-readable medium having instructions to cause a machine to perform a method of managing a switchable bilateral electronic negotiation (col. 21, lines 8-45), the method comprising:

Facilitating a first active negotiation between a first party and a second party, wherein the facilitating the first active negotiation includes exchanging multi-attribute offers between the first party and the second party (Fig. 25 – Best Bid and Offer Shown in Order Book - first active negotiation between a first and second party, it is a completely electronic negotiation where the user set parameters for the multi-attribute offer [stock, quantity, price, etc] and the trader responded with a bid which was matched electronically still a negotiation not accepted and it was facilitated through the system);

Facilitating a first inactive negotiation between the first party and a third party, wherein facilitating the first inactive negotiation includes receiving a submitted multi-attribute offer from the third party (Fig. 25; col. 21, lines 8-46 – the user reviews orders on the book for the stock at the selected price and selects the name of a trader to negotiate with; it is facilitated by the system because the multi-attribute offer is on the books, available to the user for viewing, it is received by the user because it is there for him to select and utilize);

Automatically dropping the first active negotiation between the first party and the second party (Fig. 25; col. 21, lines 8-46– the negotiation is automatically dropped between the first and second party because the system automatically removes the bid as soon as the user selects the send order to the contra party);

Facilitating a second active negotiation between the first party and the third party (Fig. 25, col. 21, lines 8-25; a negotiation between the first and the third party, i.e. the trader the selected trader, is facilitated by the software permitting input of the offer, showing Negotiation on the master screen, transmitting the offer to the other party's work station where it is highlighted and providing options for the other party regarding the offer and transmitting their response back to the user, which repeats until the negotiation is completed or canceled); and

Facilitating a second inactive negotiation between the first party and the second party (Fig. 25 – the system facilitates a second inactive negotiation between the first party and the second party by showing the negotiation in the open negotiations window on the master trade screen highlighted in yellow; in an order book system this allows the trader to make a decision, i.e. whether to change it or stay put, regarding his best bid thus facilitating a second inactive negotiation).

As per claim 33, Buist teaches the first active negotiation includes updating a first negotiation object (Fig. 25, col. 21, lines 8-21 – counter offer Best Bid and Offer Shown in the Order Book)

As per claim 34, Buist teaches the first active negotiation includes updating a second negotiation objection (rejection of the counter offer Best Bid and Offer Shown in the Order Book by removal from the order book).

Claim 35 is rejected for the same reasons set forth in claim 32.

Buist teaches electronic methods for bilateral negotiation of stock trades. The size of the genus is small, user-to-user trades, in the bilateral sense, as one stock is being traded, the only teaching go to bilateral trading, switchable bilateral trades and although not specifically

Art Unit: 3627

discussed, perhaps concurrent bilateral trades. He specifically teaches the species of switchable bilateral negotiations so that a user may negotiate for a better price in a stock during a user-to user trading of the preferred embodiment. Col. 21, lines 8-41. The structural similarities are set forth above and meet the limitations of the claims, as do the teachings of similar properties. Applicant has provided no teachings of uses for switchable bilateral negotiations. Negotiations have been around since the beginning of time and this is one variation. It is a computerized version and a result whether formation or rejection of the negotiation is predictable. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized the computer readable medium switchable bilateral method as taught in Buist for the explicit reasons discussed herein above.

Claims 32-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Bigus, et al. (6,085,178).

Bigus teaches a machine-readable medium having instructions to cause a machine to perform a method of managing a switchable bilateral electronic negotiation (cols. 10-11, lines 67-6 and cols 11-16 which incorporates patents 6,192,354 and 6,401,080 by reference), the method comprising:

Facilitating a first active negotiation between a first party and a second party, wherein the facilitating the first active negotiation includes exchanging multi-attribute offers between the first party and the second party ('178 - Figs. 7, 8 A&B; col. 11-12, lines 28-3; an active negotiation is facilitated between a first and second party when the agents interact and send offers and response messages back and forth);

Facilitating a first inactive negotiation between the first party and a third party, wherein facilitating the first inactive negotiation includes receiving a submitted multi-attribute offer from the third party ('178 – Fig. 7 – Block 132; col. 11, lines 48-51 – the agent may also simply wait for incoming offers from other parties, block 142 also performs the functions of processing messages from other parties and from the agent manager – by receiving the incoming offers from the other parties the method is facilitating inactive negotiation between the first and a third party);

Automatically dropping the first active negotiation between the first party and the second party ('178 - Fig. 7 – Block 136; col. 11, lines 65-66; terminating or putting on a wait time - the negotiations would automatically drop the first active negotiation between the first and the second party as nothing is happening between the parties at this time);

Facilitating a second active negotiation between the first party and the third party ('080 – col. 9, lines 58-63 – teaches that negotiations may be conducted with more than one party at a time using separate execution or other context switching mechanism including during a wait period, i.e. bilateral switching; cols. 9-10 – teaches that one or more of the operating parameters of the routine are randomized and/or constrained to improve the negotiation performance of the agent in order to limit unproductive negotiations, including offer duration – another switching mechanism defined by Applicant; col. 9, lines 29-32 teaches that if the negotiation is complete the agent is free to seek out other parties with which to negotiate, i.e. switch.); and

Facilitating a second inactive negotiation between the first party and the second party ('401 – Figs. 11-14 teach facilitating a second inactive transaction between the first party and the

second party; see also col. 10, lines 26-61 – as the negotiation may be in a wait time and negotiations with the party proceeding, i.e. switched).

Bigus teaches intelligent agents utilized for electronic negotiations. The size of the genus is small, in the bilateral sense, as one stock is being traded, the only teaching goes to bilateral trading, switchable bilateral trades and concurrent bilateral trades. The structural similarities are set forth above and meet the limitations of the claims, as do the teachings of similar properties. Applicant has provided no teachings of uses for switchable bilateral negotiations. Negotiations have been around since the beginning of time and this is one variation. Switchable bilateral negotiations are particularly useful in a scarce market, for bid shopping, in mergers and acquisitions, in complex negotiations, and in situations where a user does not want to devote vast resource to multiple negotiations over the same product. It is a computerized version and a result whether formation or rejection of the negotiation is predictable. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized the computer readable medium switchable bilateral method as taught in Bigus for the explicit reasons discussed herein above.

As per claim 33, Bigus teaches the first active negotiation includes updating a first negotiation object ('178 - col. 11, lines 5-6 and line 65 – acceptance or rejection of an outstanding offer stored in the transaction history database)

As per claim 34, Bigus teaches the first active negotiation includes updating a second negotiation objection (('178 - col. 11, lines 5-6 and line 65 – response that is sent back and decoded by agent manager, i.e. counter offer stored in the transaction history database).

Claim 35 is rejected for the same reasons set forth in claim 32.

As per claim 36, Bigus does not explicitly teach facilitating an inactive negotiation or an active negotiation wherein the submitted multi-attribute offer is greater than a most recent submitted multi-attribute offer from the second party associated with the first active negotiation. However, as set forth above, Bigus teaches that teaches that negotiations may be conducted with more than one party at a time using separate execution or other context switching mechanism including during a wait period, i.e. bilateral switching; teaches that one or more of the operating parameters of the routine are randomized and/or constrained to improve the negotiation performance of the agent in order to limit unproductive negotiations, including computation of offer price and offer duration – another switching mechanism defined by Applicant; and that if the negotiation is complete the agent is free to seek out other parties with which to negotiate, as set forth above. Bigus does teach that one or more operating parameters of the routine are randomized and/or constrained to improve the negotiation performance of the agent in order to limit unproductive negotiations, including computation of the offer price ('080 – cols. 9-10, lines 64-10). Thus, one context switching mechanism/operating parameter of the routine that could be randomized would be a rule allowing switching of active negotiation only when a competing offer improves upon a previous offer by a predetermined amount. It would have been obvious to one of ordinary skill in the art at the time of the invention to have added such a rule to the Bigus agent for such a rule would limit unproductive negotiations, eliminate non-serious third parties from the system, ensure that the “buyer” was receiving as good a deal as the agent designer believed possible, i.e. maximizing profits, and would enhance the efficiency of the overall negotiation process.

As per claim 37, Bigus does not teach automatically querying the first party whether to drop the first active negotiation. However, Bigus does teach that the agent can be a simple intermediary agents or full dependent agents, which may have little domain knowledge in that the agent merely serve the function of passing messages between a client and another party to a negotiation, such that authority for determining offers, accepting or rejecting offers, implementing negotiation strategies, etc. rests fully with the client. ('354 – col. 12, lines 45-51) Thus, the system would have to be notified if the first party wanted to drop the first active negotiation. Some form of querying system, whether it is in statement form and asking for a response, would have to be used as Bigus teaches that the agent manager processes messages and sends messages to clients, i.e. withdraw. ('354 - Fig. 9; col. 16, line 8) A user may prefer this type of agent because it allows fuller human interaction with the negotiation process and places the accountability and responsibility for the outcome squarely with the human agent and not with a computer, particularly in more complex negotiations where the outcome is more risk adverse. Moreover, querying prior to dropping the first active negotiation is the equivalent to any program asking you if you are done with a specific routine, i.e. logging out, deleting a file, moving a file, closing a program, etc. In determining the obviousness of applying what is generally known in the computer programming of a machine readable medium for a computer method of electronic negotiations to what is known in the world of computer programming one must determine the level of ordinary skill (*Dann v. Johnston*, 425 U.S. 219, 189 USPQ 257 (1976)). A computer readable medium encompassing a method, to one ordinarily skill in the art, for some time now is recognized as the means by which a computer is given instructions to operate a program so that a user can interface with the computer and utilize the code written on the medium to execute the

Art Unit: 3627

method, usually a form of a program. Typical examples of computer readable mediums embodying methods would be word processing programs, e-mail programs, database programs with search engines, etc. Querying structures within such computer readable mediums are widely known particularly when it comes to deleting, canceling or removing data, or as in this case dropping the first active negotiation. Also, the negotiation industry has utilized computers for years to track negotiations. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to have utilized a query to the first party as to whether to drop the first active negotiation in a negotiation system such as that taught in Bigus for the purpose of ensuring that the user was indeed ready to drop the negotiation, i.e. withdraw, etc. The desirability to do this is clearly to avoid any mistakes in the negotiation and thereby keep the negotiations on track, thus leading to a successful resolution.

As per claim 38, Bigus teaches wherein facilitating the first active negotiation includes receiving a retraction of an offer associated with the first active negotiation and retracting the offer associated with the first active negotiation ('080 – Timer expired; col. 9, lines 23-32 – retraction = withdraw).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Dennis Hevesi, Market Indicators: Multiple Bids, Unbound Binders, Frayed Tempers, New York Times, September 21, 1997, pg. 9.1 – discloses that in a scarce market back-up offers are negotiated.

Paula S. Bird and Andrew L. Bab, Anatomy of the No-Shop Provision, Insights, Volume 12, Number 8, August 1998, pp. 2-10, discloses that bid shopping occurs in mergers and acquisitions.

Christopher A. Hobson, E-Negotiations: Creating a Framework for Online Commercial Negotiations, Negotiation Journal, Vol. 15, No. 3, July 1999, pp. 201-218, discloses that negotiation systems need to incorporate the ability to have bluffing and threats (the ability to switch to other negotiations).

In accordance with the USPTO's goals of customer service, compact prosecution, and reduction of cycle time, and because "the continual, chief complaint of inventors and their lawyers: that patent examiners are abysmal communicators, both orally and in writing,"⁷ the Examiner has made every effort to clarify his position regarding claim interpretation and any rejections or objections in this application. Furthermore, the Examiner has provided Applicant(s) with notice—for due process purposes—of his position regarding his factual determinations and legal conclusions. If Applicant(s) disagree with *any* factual determination or legal conclusion made by the Examiner in this Office Action whether expressly stated or implied,⁸ the Examiner respectfully requests Applicant(s) *in their next response* to expressly traverse the Examiner's position and provide appropriate arguments in support thereof. Failure by Applicant(s) *in their next response* to traverse the Examiner's positions and provide appropriate arguments in support thereof will be considered an admission by Applicant(s) of the

⁷ Sabra Chartrand, *A Bid to Overcome Patent Backlogs*, 152 N.Y. Times C2 (Sept. 23, 2002).

⁸ E.g., if the Examiner rejected a claim under §103 with two references, although not directly stated, it is the Examiner's implied position that the references are analogous art.


Art Unit: 3627

factual determinations and legal conclusion not expressly traversed.⁹ By addressing these issues now, matters where the Examiner and Applicant(s) agree can be eliminated allowing the Examiner and Applicant(s) to focus on areas of disagreement (if any) with the goal towards allowance in the shortest possible time.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jennifer I. Harle whose telephone number is 703.306.2906. The examiner can normally be reached on Monday through Thursday, 6:30 am to 5:00 pm,.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert Olszewski can be reached on 703.308.5183. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703.308.1113.


Jennifer Ione Harle
Patent Examiner
Art Unit 3627

October 20, 2003

⁹ See also MPEP §714.02, 37 CFR §1.111(b), and 37 CFR §1.104(c)(3).